

ORIGIN ACTION
INR-4

DEPARTMENT OF STATE

AIRGRAM

(Departmental and Foreign Service)

794.00 (W)/3-262

RM/R	REP	AF
2	1	
ARA	EUR	FE
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L	FBO	ATD
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5/5	S/P	G
27	1	1
AGR	COM	FRB
INT	LAB	TAR
TR	XMB	AIR
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ARMY	CIA	NAVY
4	16	3
OSD	USIA	NSA
16	8	3

A-746

CONFIDENTIAL

TO : DEPARTMENT OF STATE

INFO : LONDON A-28 COMUS/J A-223 CINCPAC A-279 CINCPACFLT UNN
CINCUSARPAC, CINCPACAF UNN

DEPT PASS: ONO, SA, COFSAF, SECDEF, JSC, CIA

FROM : AmEmbassy TOKYO

DATE: March 2, 1962

SUBJECT: JOINT WEEKA NO. 9

REF :

CONTENTS

1. Election Law Introduced into Diet
2. Postponement Goodwill Visit to Philippines

POLITICAL

1. Election Law Introduced into Diet

Liberal Democratic Party (LDP) February 27 reluctantly agreed to introduction of bill for revision Public Election Law. Party was faced with pressure from Election System Deliberation Council (which adopted resolution protesting disregard of its recommendations, WEEKA 8, Item 1), and threat of campaign on part of opposition as well as non-partisan groups favoring clean elections. Draft submitted to Diet March 1 contained further modifications which took teeth out of provision invalidating election of candidates members of whose families involved in election law infractions. Socialists (JSP) interpellated on bill immediately after its presentation, insisting that Government go back to original Council recommendations. (OFFICIAL USE ONLY)

Comment: Inasmuch as many in LDP agreed to presentation only on understanding still further changes might be introduced during Diet deliberation, and in view generally lukewarm attitude of conservatives, there is little chance bill will be enacted. However, JSP and Democratic Socialists can be expected both to insist on detailed questioning on measure in order to delay passage of other legislation, including GARIOA ratification, and to raise failure to pass bill during Upper House election campaign. (LIMITED OFFICIAL USE)

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Contents and Classification Approved by:

Clearances:

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2. Postponement Goodwill Visit to Philippines

Goodwill visit of Crown Prince and Princess to Philippines, originally delayed because of illness, indefinitely postponed after Philippine Government turned down Japanese suggestion that trip be rescheduled mid-March. Japanese newspaper carried report on trip plans before Philippine Govt approached and Philippine Govt announced cancellation without informing Japanese FonOff in time make own announcement. (UNCLASSIFIED)

Comment: Although mishandling of publicity irritated both sides, indefinite postponement not likely have serious effect Japan-Philippines relations. (LIMITED OFFICIAL USE)

REISCHAUER

AlSeligmann:nfc
WHGleysteen

POL:JGoodyear
JSSutterlin

USIS: IIzenberg
NavAtt:CdrWNMorgan
ArmAtt:LtColRHDoctor
AirAtt:LtColRHGrubb
AirAtt:MajBMSharp

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AIRGRAM

(Departmental and Foreign Service)

794, 00 (W)/3-962

INR-10

RM/R REP AF

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ARMY CIA NAVY

30 16 20

OSD USIA NSA

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A-762

CONFIDENTIAL

TO : DEPARTMENT OF STATE

INFO : LONDON A-29, COMUS/J A-225 CINCOPAC A-283 CINCACFLT 12 39
CINCUSARPAC, CINCACAF UNN

DEPT PASS: CNO, SA, COFSAF, SECDEF, JSC, CIA ANALYSIS & DISTRIBUTION
DATE: March 9, 1962

FROM : AmEmbassy TOKYO

SUBJECT: JOINT WEEKA 10

REF :

CONTENTS

1. Lower House Passes Budget
2. President's Announcement on Atmospheric Tests
3. Controversy over HICOM Press Briefing
4. Japan-Korea
5. Dutch FonMin Discusses Transit Dutch Troops Tokyo
6. Designation of New Chief of Staff, GSDF
7. Award of Legion of Merit to Chief of Staff, JGSDF

POLITICAL

1. Lower House Passes Budget

Lower House passed JFY62 budget March 3. Even if Upper House does not vote, it will automatically become law after 30 days, close enough to end of fiscal year March 31 to obviate need for interim legislation. Government now hopes obtain Lower House vote on GARICOA and special Thai yen agreements before end of March; with adjournment scheduled May 7, they too would automatically be approved if passed by April 7. Socialists' (JSP) delaying strategy is to tie PriMin and FonMin down in deliberations Upper House Budget Committee with questions on election law revision (WEEKA 9, Item 1), etc, but they nevertheless consented to step up from two to three number weekly hearings Lower House FonAffairs Committee, where debate on agreements is focussed. (OFFICIAL USE ONLY)

Comment: While possibility remains ILO legislation will be introduced, this unlikely before end of month, and with few other major pieces legislation now before Diet, Socialists would seem to be in

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weak position to obstruct ratification GARIOA and Thai yen agreements.
(OFFICIAL USE ONLY)

2. President's Announcement on Atmospheric Tests

Although President's announcement on atmospheric tests criticized by press, GOJ, and political parties, tone of comment has been relatively sober and restrained. Full excerpts carried of President's speech, most headlines calling attention to willingness cancel tests if Soviets agree to effective test-ban agreement. Editorials focussed on forthcoming disarmament talks, but demanded US refrain tests regardless outcome talks, since nuclear race would otherwise be intensified. Most extreme note struck in Yomiuri column March 8 which stressed that Govt should consider economic embargo or rupture of diplomatic relations to force US to cancel tests.

PrMin IKEDA in March 2 reply to President's letter informing him in advance of decision, asked decision be withdrawn, and FonOff March 5 handed Ambassador note verbale protesting tests. Socialist spokesman charged US decision ran counter to objectives of coming disarmament talks; recalled contamination of Japanese tuna boat during Bikini tests; and declared JSP would insist on early Diet passage anti-test resolution. Democratic Socialist Party pledged opposition to tests and said it would appeal to Asian Socialist Conference and Socialist International. Sohyo and Gensuikyo plan joint protest campaign. However, few protests received at Embassy during week.
(OFFICIAL USE ONLY)

Comment: Surprisingly mild reaction thus far accounted for by background of Soviet testing; effectiveness of President's speech; goodwill toward US, which reached high point in wake of Attorney General visit and flight of Friendship Seven; expectation since last fall US would follow Soviets in re-newing atmospheric tests; and special consideration shown Japan by Presidential letter to PrMin. Mildness current reaction provides little ground for optimism about response if tests should actually take place since general public remains emotionally opposed to testing, afraid of fallout, and fearful that cycle of testing may lead to war. (LIMITED OFFICIAL USE)

3. Controversy over HICOM Press Briefing

Background briefing given Naha press Feb. 28 by HICOM became subject extensive Diet interpellations when Tokyo press carried accounts which gave impression HICOM had enunciated firm status quo policy in Okinawa with emphasis on "supreme" US powers. After FonOff had opportunity examine full text HICOM's briefing notes FonMin KOSAKA told Socialist interpellator HICOM statement in line with basic Okinawan policies discussed between US and GOJ.

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Chief Cabinet Secretary OHIRA subsequently informed press GOJ would not take issue with US over HICOM statement. Replying to Socialist claims that HICOM briefing revealed IKEDA had not pushed for return of administrative rights during Washington talks last June, both Kosaka and Ohira said matter had been discussed during Kennedy-Ikeda talks and that US-GOJ views still in conflict on subject. (OFFICIAL USE ONLY)

Comment: Left is likely continue accusations that Ikeda while in Washington acquiesced in continued US administration in Ryukyus but Kosaka and Ohira statements have placed HICOM press briefing in proper perspective and established clear GOJ line for any further exchanges on subject. Okinawa issue remains in limelight with heavy publicity given President's press conference remarks creating expectations re forthcoming changes US Okinawa policies. (CONFIDENTIAL)

4. Japan-Korea

Japanese and ROK FonMins meet Tokyo March 12 for first session of political negotiations focusing primarily on financial question. Meetings will probably last one week and be followed by additional talks, perhaps in Seoul. Final decision not yet made, but GOJ expects table specific offer on claims and economic cooperation. (CONFIDENTIAL)

Comment: While neither side expects FonMins meeting to constitute more than first round, conference will, for first time, carry ROK-Japan negotiations to threshold of real bargaining. ROKG will inevitably be dissatisfied with GOJ opening financial offer, and there may be continued difficulty over ROKG's pressure to move quickly to decisive stage as opposed PriMin IKEDA's plan to proceed more deliberately. (CONFIDENTIAL)

5. Dutch FonMin Discusses Transit Dutch Troops Tokyo

Main topic during meeting between Dutch FonMin LUNS (currently in Tokyo for ECAFE meeting) and FonMin KOSAKA was transit Dutch troops Tokyo on KLM flights. Both agreed immediate need was to calm public concern on issue in Japan. While Luns did not state transport of Dutch troops on regular KLM flights would be halted and Kosaka made no commitment re future GOJ policy toward use KLM flights for troop transport, announcement made to press that Luns had expressed regret to Kosaka for difficulties troop transit question had caused GOJ. Press gave announcement wide attention and included carefully phrased statement Netherlands would suspend ferrying of "military reinforcements" to West New Guinea via Japan. ~~THESE ARE NOT TO BE RELEASED TO THE PRESS OR TO THE PUBLIC~~ (OFFICIAL USE ONLY)

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Comment: Dutch soldiers likely to continue transiting Tokyo in limited numbers via normal commercial flights. Luns' expression of regret over difficulties caused Japan should have constructive effect, however, by reducing domestic and foreign pressure re flights. (CONFIDENTIAL)

MILITARY

Army

6. Designation of New Chief of Staff, GSDF

Army Attache confidentially informed that Cabinet March 9 will be asked to approve Lt. General Kan OMORI, CG Eastern Army, as successor to retiring General Ichiji SUGITA as Chief of Staff, Ground Self Defense Force; Lt. General Nobutake TAKAYAMA, CG Northern Army, to be named Vice Chief of Staff, replacing Lt. General Hiromu HOSODA, who will be reassigned as CG Eastern Army; Lt. General Shunichi MIYAZAKI, CG First Division to replace Takayama as CG Northern Army. Public announcement and effective date to be March 12. (CONFIDENTIAL)

Comment: Selection of Sugita's successor has been closely held. Sugita not informed until March 8. Selection of Omori, prewar Home Ministry official, had been anticipated. Takayama, former Imperial officer, had been Omori's principal rival to succeed Sugita. Takayama's assignment as Vice Chief probably designed to placate former Imperial officers who had advocated professional soldier to replace Sugita. (CONFIDENTIAL)

7. Award of Legion of Merit to Chief of Staff, JGSDF

Legion of Merit scheduled to be awarded to retiring General Ichiji Sugita (see item 6) at Embassy ceremony afternoon March 9. (UNCLASSIFIED)

Comment: Defense Agency officials, including Director General FUJIEDA and General HAYASHI, Chief Joint Staff Council, expressed great satisfaction about award, especially since it will be presented before Sugita's retirement. (UNCLASSIFIED)

LEONHART

ALS:tlgmann:mjc
JSSutterlin
WHGleysteen
RCCollins

POL:JGoodyear
JSSutterlin
ArmAtt:ColJCParker
(Items 6 and 7)

ArmAtt:LtColRCDoctor
NavAtt:CdrWNMorgan
AirAtt:MaJAFerwin

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AIRGRAM

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INT	LAB	TAR
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TR	XMB	AIR
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ARMY	CIA	NAVY
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OSD	USIA	NSA
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TO : DEPARTMENT OF STATE

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FROM : AmEmbassy TOKYO

DATE: March 16, 1962

SUBJECT: JOINT WEEKA 11

REF :

CONTENTS

1. Diet GARICA Hearings
2. Japan-Korea
3. Diet Resolutions on Kinkawa, Bonins and Northern Territories
4. Possible Foreign Support for Harbor Workers Strike
5. Foreign Ministers' Talks and Geneva Disarmament Conference
6. Khrushchev Reply to Peace Plea Front-Paged in Yomiuri Shimbun

POLITICAL1. Diet GARICA Hearings

Lower House Foreign Affairs Committee hearings on GARICA got under way March 9 at session boycotted by Socialists (JSP) and Communists on ground Liberal Democrat (LDP) Committee Chairman MORISHITA had convened session without full agreement of Committee directors. After Morishita made statement he would conduct Committee on basis talks with opposition insofar as possible, Socialists attended second session March 13 at which their first interpellator, extreme left-winger Hisao KURODA (Chairman Party's Special Committee on Thai yen and GARICA agreements) challenged legal basis of GARICA obligation. Prime Minister IKEDA answered along lines previously taken: whether or not GARICA technically a "debt", GOJ regarded as such and ratification of agreement would satisfy legal requirements.

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Aware of possibility major Diet showdown over GARIOA, LDP has taken steps to forestall public criticism that agreement has been insufficiently explained or debated. Party has prepared pamphlet detailing contributions GARIOA to postwar economy and advantages to be derived from settlement, and has also reprinted excerpts earlier Budget Committee hearings to indicate lengthy deliberation has already taken place; these materials distributed at LDP caucus March 15 at which PriMin IKEDA and other Party leaders called for strong effort vote on agreement as scheduled. To support its Diet position JSP has announced plan for mass demonstrations against GARIOA and Thai special yen agreements, beginning March 26, based on same People's Council that opposed Security Treaty in 1960. FonOff informed Embassy that Kuroda (who is also Chairman JSP Committee to oppose ROK talks) might try to turn organizations mobilized against ROK settlement into campaign against GARIOA.

Democratic Socialist Party issued own policy on GARIOA March 14 suggesting present agreement be scrapped and replaced by what amounts to ex gratia settlement. (LIMITED OFFICIAL USE)

Comment: Whether or not demonstrations receive large-scale support, JSP can be expected to resort to its usual Diet tactics, including walkouts from hearings, boycotts, and possibly use of physical force, to prevent votes on GARIOA and Thai yen settlements before April 7 (deadline for passage if agreements are to be ratified without separate Upper House action). LDP publicity efforts indicate Party learned lessons from debate on Security Treaty in 1960 and is alert to need for public opinion support if it becomes necessary to bring measures to vote in face of JSP boycott. (CONFIDENTIAL)

2. Japan-Korea

FonMins KOSAKA and CH'OE have almost completed first round of ROK-Japan political negotiations; results termed disappointing by both sides. Talks began in tense atmosphere partly caused by public recitations of widely divergent Japanese and Korean positions and initial discussion of disputes over Takeshima and Japanese representation in Seoul. Re principal question of property claims, Kosaka gave detailed exposition legal and historical points (especially relevance of vested former Japanese properties in Korea to claims settlement, and ROK's lack of competence settle claims embracing North Korea), proposed a two-part settlement (claims/grant plus credits in form economic cooperation), and said GOJ's specific offer would necessarily be limited. Ch'oe rebutted Kosaka's arguments and expressed great annoyance Japanese position; reacted angrily to implication that ROK incompetent claim for all of Korea. Specific figures will probably be exchanged today. FonOff informed us GOJ discouraged with talks and Ch'oe's uncompromising attitude. Ch'oe in turn has questioned GOJ's sincerity. Not known whether time and place next sessions will be set before Ch'oe's departure early next week. (CONFIDENTIAL)

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Comment: It is clear first session political negotiations has fallen short of modest expectations with some risk of public letdown and obstruction to subsequent efforts toward compromise. Both delegations, however, recognize desirability further talks. (CONFIDENTIAL)

3. Diet Resolutions on Okinawa, Bonins and Northern Territories

Lower and Upper Houses of Diet each passed two resolutions, jointly sponsored by three major parties, calling on Government to seek early return of administrative rights in Okinawa and Bonins and restoration of northern territories which are "inherently" Japan's. Resolution on Okinawa and Bonins passed unanimously, while only Communists voted against resolution on northern territories. PriMin took cognizance resolutions and pledged utmost obtain restoration Japanese sovereignty all three areas. (UNCLASSIFIED)

Comment: New Diet move followed unusually strong reversion resolutions passed by Ryukyuan Legislature Feb. 1 which, together with other developments, encouraged Japanese Left mount wide offensive on Okinawan issue. LDP insisted on including northern territories in expectation this would dissuade Socialists from pushing for Okinawan resolution, but Socialists this time accepted LDP condition. LDP was able exclude phraseology implying Diet support of anti-colonialist themes in Ryukyu Legislature resolutions. Diet action was widely noted in press but focus of comment was on expected new US policy statement on Okinawa. (CONFIDENTIAL)

4. Possible Foreign Support for Harbor Workers Strike

Communist-led Harbor Workers Union (Zenkowan) has announced that members of Pacific Asian Dockworkers Conference (PADC) plan to "support" Zenkowan's 24-hour strike March 27 for better working conditions. According to Zenkowan, dockworkers' unions in US, Indonesia, Australia and unnamed other countries are scheduling boycott of Japanese ships March 27 (and in some places for longer period). Zenkowan, with 18,000 members, is strongest in ^{major} Yokohama and not in position to disrupt harbor operations in other/ports. (OFFICIAL USE ONLY)

Comment: Zenkowan seeks to demonstrate international support for its objectives, and in process embarrass GOJ, but Communist-run PADC probably does not have sufficient solidarity to carry out threatened Pacific-wide boycott. (OFFICIAL USE ONLY)

PSYCHOLOGICAL

5. Foreign Ministers' Talks and Geneva Disarmament Conference

Japanese disappointed over apparent absence concrete results from meeting of Foreign Ministers but continue hopeful that agreement limiting testing can be reached even if general disarmament accord not possible. Fear that breakdown

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of talks will lead to further cycle of tests has prompted appeals to both East and West to reach accord, with onus on Soviets to accept reasonable inspection system. FonOff sent notes during week to all members of UN Disarmament Committee (except US and USSR) asking them to strive for accord on test ban. Diet passed joint resolution of three major parties expressing regret over Soviet test resumption and US-British plans for testing and calling for ban on manufacture, stockpiling, testing, and use nuclear weapons. (OFFICIAL USE ONLY)

Comment: Press has retreated somewhat from initial optimistic tone after weighing progress of Big Three talks, although hopes still held for reaching some form test-ban agreement. Comment less critical of US than Soviets, with latter taken to task for unilaterally breaking moratorium and for resisting inspection out of concern for effect on dictatorial system. (OFFICIAL USE ONLY)

6. Khrushchev Reply to Peace Plea Front-Paged in Yomiuri Shimbun

KHRUSHCHEV's reply to a "peace appeal" by Tokyo Univ President KAYA (carried in New Years edition Yomiuri) was handed to newspaper's publisher SHORIKI by Sov Amb FEDORENKO March 14. Eight-page communication was loaded with Soviet propaganda themes, including claims that: Soviet in 1922, 1927, and 1959 proposed total disarmament to West; U.S. intensifying arms race by huge arms budget; Security Treaty drawing Japan into this arms race; U.S., British, Soviet experts agree international inspection system not necessary to enforce test-ban agreement; Khrushchev has common desire with Kaya to avoid outbreak of war. Delivery of letter broadcast by Yomiuri-affiliated Nippon Television Company.

On occasion letter's presentation, Shoriki demonstrated color TV to Federenko, eliciting praise and back-handed slap at quality of American color TV from Soviet envoy. (UNCLASSIFIED)

Comment: Reply obviously timed to coincide with 18-nation disarmament conference, but content not likely to erase general Japanese resentment against last fall's Soviet test series. Although Yomiuri gave big play to Soviet line, letter ignored by other major papers. (OFFICIAL USE ONLY)

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REISCHAUER

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JSSutterlin
WHGleysteen
RCCollins

Do
POL:Doorn
USIS:IIzenberg
(Item 6)
LabAtt:UAStraus
(Item 4)

USIS:IIzenberg
NavAtt:CdrWNMorgan
AirAtt:LtColRHGrubb
AirAtt:MajBMSarp

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ORIGIN/ACTION

DEPARTMENT OF STATE

AIRGRAM

(Departmental and Foreign Service)

794.00 (W)/3-2362

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INT	LAB	TAR
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TR	XMB	AIR
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ARMY	CIA	NAVY
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OSD	USIA	NSA
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NO.

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TO : DEPARTMENT OF STATE

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DEPT PASS: CNO, SA, COFSAF, SECDEF, JSC, CIA

FROM : AmEmbassy TOKYO

DATE: March 23, 1962

SUBJECT: JOINT WEEKA 12

REF :

CONTENTS

1. President's Announcement Concerning Okinawa Preceded by Extensive Publicity and Speculation
2. Visit of Governor HARRIMAN
3. Socialist Party Postpones Demonstrations Against GARIOA and Thai Yen Agreements
4. Japan-Korea
5. Japan-Kuwait-Iraq
6. Defense Academy Holds Commencement Ceremony

POLITICAL

1. President's Announcement Concerning Okinawa Preceded by Extensive Publicity and Speculation

Preceded by much publicity and speculation (WEEKA 11, Item 3), President's announcement concerning US policy toward Okinawa was widely greeted in Japan as significant clarification status and future of Ryukyus. GOJ, in official statement, expressed deep gratification and while noting that new US policy did not provide complete solution to all problems connected with Okinawa, said it was in line with Japanese proposals and provided basis for significant progress. President's recognition that Ryukyus part of "Japanese homeland" headlined all papers and was warmly welcomed editorially, although most commentators expressed disappointment that new US policy did not meet "basic desire"

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of Japanese people for return of administrative rights. LDP expressed satisfaction over Presidential announcement and DSP, while noting no provision made for reversion, nonetheless termed it epoch-making show of good will. JSP on other hand immediately launched interpellations in Diet aimed at depicting US policy statement as new scheme to perpetuate American rule in Okinawa. (UNCLASSIFIED)

Comment: Government leaders showed some nervousness that US announcement on Okinawa at this time would provide Socialists means of obstructing passage crucial GARIOA-EROA and Thai Special Yen agreements to which IKEDA's prestige as party leader closely linked (Item 3). Moreover, GOJ remains highly sensitive to wide public sentiment for return of Ryukyus and has therefore been at pains to make clear that, while it pleased to have opportunity work closely with US on matters affecting Ryukyus, its "official" policy remains to seek Okinawa's return "as soon as possible". (CONFIDENTIAL)

2. Visit of Governor HARRIMAN

Assistant Secretary of State for Far Eastern Affairs had intensive discussions with GOJ officials, leftist intellectuals, JSP and DSP representatives, and labor union leaders March 17-19. Major topic was Korea, with Secretary reporting his observations in Seoul, making case for GOJ gesture of generosity, and Japanese showing pessimism in wake of unsatisfactory talks with ROK FonMin CHOE (Item 4), indicating settlement before Upper House elections "difficult". GOJ noncommittal on suggestion PriMin or FonMin go to Seoul for next talks. MITI Minister SATO took occasion register strong dissatisfaction with US tariff hike on Wilton carpets and plate glass. Leftists rehearsed familiar opposition views on GARIOA, nuclear testing, Okinawa, etc. (CONFIDENTIAL)

Comment: Exchange of views on Korea talks useful, but chances of GOJ ice-breaking gesture probably worsened by subsequent resignation ROK President YUN over political purification law. (CONFIDENTIAL)

3. Socialist Party Postpones Demonstrations Against GARIOA and Thai Yen Agreements (WEEKA 11, Item 1)

Socialist Party (JSP) decided March 20 to postpone mass protest against GARIOA and Thai yen agreements from March 26 until March 30, when it will participate in demonstration organized by People's Council Against Security Treaty. In addition, JSP will hold own rally April 1, to which it will invite several thousand Tanro (Coal Mine Workers Union) representatives scheduled to arrive in Tokyo as part of Sohyo's spring offensive. Slogans of this meeting to emphasize labor demands, opposition to ROK talks, and preservation Constitution in addition to opposition to agreements. At meeting March 19 called by JSP leaders to explain campaign against GARIOA and Thai yen

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settlements, Sohyo and sympathetic intellectuals reportedly taken to task for failure to campaign more actively against agreements.

In Lower House FonAffairs Committee hearings on GARIOA during past week Socialists continued to confine questions largely to whether GARIOA is legal obligation. LDP has proposed calling public witnesses (usual preliminary to ending committee hearings) within next week, but JSP contends it still has several interpellators waiting to be heard. (OFFICIAL USE ONLY)

Comment: Postponement of demonstrations, and need to combine opposition to agreements with other issues more attractive to Sohyo indicate Socialist failure to date to generate strong popular opposition campaign. By debating only certain aspects GARIOA settlement, JSP laying basis for charge agreement has not been fully debated, in hopes of provoking major clash when LDP decides to press for vote. (OFFICIAL USE ONLY)

4. Japan-Korea

ROK FonMin CHOE left Tokyo March 19 after first negotiations at FonMin level produced no progress or substantial change from unproductive results reported WEEKA 11, Item 2. Breakdown came over claims gap on which both sides too widely split for compromise. Aside from economic cooperation credits, Japanese tabled offer for \$70 million in claims vs ROK counterproposal of \$700 million. No agreement reached on time or place of next meeting, but FonOff doubts feasibility any high-level talks in either Seoul or Tokyo before end of Diet session and in any event believes next round of political negotiations must be preceded by informal fence-mending discussions. In meantime, Japanese hope to continue subcommittee meetings (especially fisheries) in Tokyo. (CONFIDENTIAL)

Comment: Choe-KOSAKA negotiations widened rather than narrowed divergence of ROK-Japan positions and were marred by distinctly strained atmosphere. Talks hampered by inadequate groundwork on claims issue as well as extremely cautious schedule PriMin IKEDA has set for domestic political reasons. As things now stand, settlement seems unlikely before Japanese elections (Item 2), and it questionable whether GOJ intends send high level emissary to Seoul before mid-May at earliest. (CONFIDENTIAL)

5. Japan-Kuwait-Iraq

Iraq recalled Ambassador to Japan March 17 to signify disapproval Japan-Kuwait relations and GOJ's acceptance of Kuwaiti Ambassador's credentials March 10. Japan's Ambassador Baghdad not requested to leave, and Iraq may maintain Charge in Tokyo. (OFFICIAL USE ONLY)

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Comment: GOJ remains unwilling to accommodate Iraq by sacrificing its economic interests in Kuwait. Latest move came as no surprise to Japanese, who estimate Iraq will stop short of severing economic and political relations with Japan. (OFFICIAL USE ONLY)

MILITARY

Army - Navy - Air

6. Defense Academy Holds Commencement Ceremony

Sixth commencement ceremony of Japan Defense Academy for 476 students (270 GSDF, 92 MSDF, and 114 ASDF) on March 17 addressed by PriMin IKEDA and JDA Director General FUJIEDA. PriMin noted unstable peace delicately maintained by balance of military power and expressed deep concern that public opinion is not entirely united on diplomatic and defense policies of nation. He added that ultimate line of national defense lies in national unity, and expressed assurance that graduates would become core of that national unity.

A Thai student, Chongchetr BURANSILPIN, grandson of Thai PriMin Marshal Sarit THANARAT, became first foreign student to be graduated from Japanese Defense Academy. (UNCLASSIFIED)

Comment: This is second year in succession that PriMin has addressed Defense Academy graduating class and indicates increased public acceptance of SDF. (OFFICIAL USE ONLY)

REISCHAUER

COL:DL Osborn

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NavAtt:CdrWNMorgan
(Item 6)

USIS:IIzenberg
NavAtt:CdrWNMorgan

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